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## Singapore Premier

# Lee Says U.S. Offered Bribe To Shield CIA

From News Dispatches

SINGAPORE, Aug. 31—Singapore Prime Minister Lee Kuan Yew, in a vehement attack on the judgment and wisdom of the American Government, today accused Washington of trying to bribe him in 1960 in an effort to cover up an abortive CIA operation.

In a televised news conference with two British and three Australian correspondents, Lee also said that if the British abandon their Singapore base he would be prepared to invite the Australians and New Zealanders there, but not the Americans.

"This is fundamental," he added vehemently. "If the British base goes there will be no American base in Singapore."

Lee, a 41-year-old Socialist and anti-Communist, whose country dropped out of the Malaysian Federation last month, claimed that in 1960 the U.S. offered him \$3 million not to reveal that a CIA agent had been caught trying to buy information from a Singapore intelligence officer.

U.S. Ambassador to Malaysia James D. Bell said in Kuala Lumpur that "there is no truth to it," and in Washington the State Department issued a denial.

(Despite official denials, however, there appeared to be some truth to the Lee accusation, it was learned in Washington. At the time cited by Lee, CIA agents were operating in a more freewheeling manner than in subsequent years after President Kennedy's crackdown on CIA activities following the 1961 Bay of Pigs disaster.)

Lee described the alleged bribe as "an insult" and said he told the United States, "You can keep it." But he said he had offered to keep the incident quiet if the U.S. government gave Singapore

\$33 million for economic development.

## Incident Described

Lee said Singapore security police had caught a CIA man after laying a trap for him.

"We had microphones, everything," he said.

The CIA agent, he said, was turned in by the intelligence agent he tried to bribe.

"The CIA man was caught, arrested, enough evidence to send him to jail for anything up to 12 years," Lee said. "We had got them by the throat. The American consul general knew nothing about it because the CIA man flew in from Bangkok."

He said it was decided to release the CIA agent because "it would have damaged our relations with Kuala Lumpur [the federal capital of Malaysia] and we wanted merger with them." Singapore became part of the Federation in 1963.

"The Americans would have worked on Kuala Lumpur and we would have been so antagonistic that merger and Malaysia would have been broken."

## Scathing Words

In his scathing attack on the United States, Lee said: "If the Americans and not the British had been in charge in Singapore and Malaya before independence I would have been in jail, probably tortured and died a Commie." He emphasized his friendship and respect for Britain and his personal affection for Prime Minister Wilson.

The attack came after a question concerning the future of the large British air and naval base at the eastern tip of Singapore island. Negotiations are scheduled between the British and Singapore governments on revising their defense pact.

Referring to the Americans, Lee said: "I think they are a highly intelligent, well-meaning people and some of their leaders, like Kennedy, have had signs of growing greatness and depth, but by and large the American administration lacks the depth and judgment and wisdom which comes out of an accumulation of knowledge over a long period."



Associated Press

## PRIME MINISTER LEE

... accuses United States

"The British in their empire learned a lot. Britain has got 400 years of empire and my ancestors have got 4000 years of written history. The Americans don't understand the overseas Chinese. They don't understand the Vietnamese. That's why there is such a mass there."

## 2d Incident Mentioned

Lee mentioned another incident concerning a request he made recently to the U.S. Ambassador in Kuala Lumpur for an American medical specialist to come to Singapore to treat "someone very dear to me". The specialist sent word that he would be in Geneva and if the patient was flown to him he would look at him. "The impudence!" said Lee. "I don't think that would have happened with a people with a civilized or cultured background."

(In Washington, it was reported that it was finally arranged to send a doctor to Singapore, but that the physician was not available for the trip until some time later this fall.)

Regarding the base, Lee said he would act to stop any "aggression" from it. "The base is not to be used to blackmail Indonesia or destroy China," he said.

## "This Is Not Guantanamo"

Lee said he would paralyze

any such "aggression" by withdrawing the local workers or serving 24-hour withdrawal notice on the British.

"This is not Guantanamo," he said, referring to the U.S. naval base on the island of Cuba. "This is our territory, not Britain's. If Cuba with an American base with American sovereignty is independent and not a neo-colonialist stooge, why should I be one? I want the base there to protect my people."

### *Bribery's Reward*

Prime Minister Lee Kuan Yew of Singapore evidently is under pressure to exhibit his nationalism. That, along with perhaps some personal dissatisfaction, is the most likely explanation of his sudden outburst against the United States. An unnamed American official, he charged, had offered him \$3 million—which he spurned—to keep quiet about the fact that a Central Intelligence Agency representative had been caught in 1960 trying to buy information from a Singapore intelligence agent.

Despite initial denials there seems to be some truth to the charge. Even when it is acknowledged that bribery and the purchase of information are not unique in intelligence operations, such practices are difficult to defend (especially when the perpetrators are caught)—though Mr. Lee's disclosure that he asked for \$33 million in economic aid in return for silence makes it look as if he might have been merely haggling about the price. In any event the Kennedy Administration subsequently cracked down on the CIA's free wheeling.

Actually, Mr. Lee has been subjected to substantial strain since the Malaysian Federation booted out Singapore last month because of its large Chinese population. He may not particularly admire the United States, but he is an effective leader of high intelligence who, incidentally, is a staunch foe of the Communists. In view of our own apparent complicity, we can afford to tolerate a little tugging on the eagle's feathers if Mr. Lee feels this necessary to prove his independence. In short, when he blows his top the best thing we can do is keep our shirts on.

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THE EVENING STAR

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Washington, D. C., Tuesday, August 31, 1965

# Spurned U.S. Spy Bribe, Singapore Premier Says

SINGAPORE (AP)—Singapore's Prime Minister Lee Kuan Lew claimed today the U.S. government once offered him a \$3 million "bribe" not to reveal that a U.S. Central Intelligence agent had been caught trying to buy information from a Singapore intelligence man. Lee said he rejected the alleged offer.

The charge drew a prompt denial from the United States. In Kuala Lumpur, U.S. Ambassador to Malaysia James D. Bell said, "There is no truth to it."

Lee claimed the bribe was made through a presidential intermediary in 1960.

He described the alleged bribe as "an insult" and told a televised news conference made up of four British and Australian foreign correspondents he had told President John F. Kennedy, "You can keep it."

## Wanted \$33 Million

He said he had offered to keep the incident quiet if the U.S. government gave Singapore \$33 million for economic development.

Lee said Singapore security police had caught a Central Intelligence Agency operative after laying a trap for him.

"We had microphones, everything," Lee said.

He said the CIA operative had offered a Singapore intelligence officer large sums of money for information but the Singapore officer had reported the offer to the government.

"The CIA man was caught, arrested, enough evidence to send him to jail for anything up to 12 years," Lee told foreign correspondents.

"We had got them by the throat. The American consul general knew nothing about it because the CIA man flew in from Bangkok.

## Sets His Price

"Then, I told the American government: 'We keep quiet, you take this man away, 100 million dollars (\$33 million) to the Singapore government for economic development.'

"I never spoke to the Americans direct because they lack finesse.

"But through an intermediary they offered me and my party (Peoples Action Party) 10 million dollars (\$3 million).

I mean, the insult, I told them 'You can keep it.'

Lee also told newsmen he

would never allow the United States to move into Singapore if the British withdrew from their bases here.

Lee said it was decided to release the CIA agent because "it would have damaged our relations with Kuala Lumpur and we wanted merger with them."

"The Americans would have worked on Kuala Lumpur and we would have been so antagonistic that merger and Malaysia would have been broken," he said. "They probably never knew why we released the man."

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pliances, and other steel consuming products.

The steel industry and its investors have also profited enormously from Government tax policies in recent years. We have revised depreciation guidelines for tax purposes, provided tax credits for investment and made large-scale reductions in corporate taxes. These actions will reduce the steel industry's taxes by \$320 million this year alone—equal to more than \$3 per ton of steel shipped. The accumulated benefits to the steel industry from 1962 to the end of this year would amount to more than \$900 million.

Nothing now separating the demands of the unions and the offer of management can conceivably be so great as to risk destruction of all that we have built. If, within the next 7 days, the negotiators cannot compromise their differences and a strike is called, nearly half a million men will immediately become idle in the steel industry. Hundreds of thousands more will lose their jobs as other steel users exhaust their inventories.

Our economists have estimated that a steel strike will immediately cut our industrial output by more than 4 percent, which is equivalent to wiping out the entire gain scored by our expanding economy during the first 7 months of this year. A prolonged strike—or, for that matter, even a short one—will undoubtedly lead to increased importation of foreign steel. This will be immediately harmful to our already delicate balance-of-payments problem. And experience has shown that sales lost to foreign steel suppliers are never fully regained.

Thus, whatever settlement might be reached as a result of a strike will be at the expense of us all. There will be no winner of such a strike. Management will lose. Labor will lose. And every other American will also lose.

I urge, therefore, that the representatives of both management and labor use the hours remaining to them to achieve a fair and honorable settlement of their differences. And I urge them to do this not merely because it is in the public interest but because it is in the interest of every steel worker, every manager, and every investor in the industry.

#### FOREIGN AID PROGRAM USED AS A MEANS OF ATTEMPTED BLACKMAIL

(Mr. HALL asked and was given permission to address the House for 1 minute; to revise and extend his remarks and to include extraneous matter.)

Mr. HALL. Mr. Speaker, I believe most Members of this House were aghast and astonished by the news this morning, that our "foreign aid" giveaway program has been used as a means of attempted blackmail, rather than for the humanitarian reasons advanced every year as the basis for its conception.

I refer to the news that the U.S. Department of State was caught with its "petticoat" showing in Singapore. According to the Associated Press report, Singapore Prime Minister Lee demanded

\$33 million in foreign aid in 1960, in return for his Government's silence and the release of a CIA agent caught trying to buy information.

The United States countered with an offer of \$3 million, which Lee apparently regarded as an insult. When Lee made the charge this week, our State Department hastily called it false, then had to backtrack when Lee himself produced a letter from Secretary of State Rusk.

I am pleased to note that the House Foreign Affairs Subcommittee plans to hold closed hearings to obtain an explanation from responsible officials. I hope they get more than pin-striped trouser doubletalk.

Perhaps one of these days the frequent calls for congressional investigation of the State Department will be heeded.

Certainly this latest incident is further proof that such an investigation is needed, and comes at a time just prior to this body considering our annual giveaway appropriation in our recurrent effort to buy image instead of command-respect.

#### THE RISING PRICES OF FOOD

(Mrs. BOLTON asked and was given permission to address the House for 1 minute, and to revise and extend her remarks.)

Mrs. BOLTON. Mr. Speaker, I am deeply interested in what the majority leader has told us. With him we are all hoping that the steel strike will not come about, but that commonsense will prevail and that an honest realization of what such a strike would do to the men and women who would be most affected—the workers—bring a settlement.

The gentleman in the beginning of his remarks spoke of the tremendous amount of labor being employed, and of the increase in the wealth of this country in the United States today. We are told there is a lot of money everywhere. But I am wondering why food prices have to go up, and up, and up. Practically every bit of our food is at truly exorbitant prices in the market.

The two things do not go together very well. Our women are becoming angry as well as deeply disheartened as it grows more and more difficult to feed their families. We have been informed that this last increase is the fourth in a row. If this rate continues for 12 months it will have been the greatest increase in the cost of living in 15 years. Perhaps I am slow in understanding how these two situations can exist at the same time. Continuing increase of prosperity with poverty everywhere and prices rising like a miasma all about us.

[Mr. GROSS addressed the House. His remarks will appear hereafter in the Appendix.]

#### SELLING TO THE REDS

The SPEAKER. Under a previous order of the House, the gentleman from California [Mr. LIPSCOMB] is recognized for 30 minutes.

Mr. LIPSCOMB. Mr. Speaker, we are

witnessing a deliberate weakening of the export control program, which was created to place needed controls on the flow of equipment, goods, and technical data to the Red bloc. In fact, a concerted effort is underway to virtually read the export control program out of existence as an effective tool of dealing with the Communist menace.

The administration, according to the latest reports, has agreed to make large sales of wheat to the Soviet Union and other Red nations which would help the Reds out of difficulties caused by crop shortages.

Of even greater significance from a long-range point of view are the many other items being cleared for sale to Communist nations, including a variety of advanced technologies, specialized machinery and equipment, industrial plants and related items, and goods, and data.

There seems little doubt that we have cooperated extensively in helping them shore up their economy and overall strength in vital areas.

A very important study was undertaken by the House Select Committee on Export Control, 87th Congress, to review our entire export control program and make recommendations where it found areas of concern and need for improvement. I was privileged to serve on that committee.

The select committee, which was composed of three Democrats and two Republicans, conducted the study and filed a report with the House of Representatives containing some highly significant findings and recommendations.

With regard to the overall effort of the Communist bloc to subvert the free world, the committee said:

It makes no more sense to strengthen the economic potential of our cold war Communist enemies than to arm them; and yet the select committee has found glaring instances where we have economically strengthened countries in the Soviet bloc.

It was found that major stress was placed by the bloc countries on obtaining technical data from the United States. The select committee said about this:

Immediate steps should be taken to more effectively control the exports of technical data. The furnishing of plans, specifications, and production details of strategic items to the Soviet bloc in many instances has given as much or more advantage to those countries as the shipment of the commodities themselves.

To underscore the need for the free nations as a whole to join in opposing and maintaining needed controls on the efforts of the bloc nations to engage in selective buying from the West to fulfill its critical needs, the select committee stated:

The select committee urges that our Government take a firm position with our allies to extend and make more effective international control of export of strategic commodities to Communist countries, including Cuba.

The Communist bloc countries often seek to obtain single copies or limited quantities of items from the West which



can be used as models or prototypes for its industry. The select committee recommended:

Similarly, the select committee recommends tight control over export of prototypes of single units to Communist countries. An extraordinary number of single units or small numbers of items in the scientific and complex mechanical categories which could serve as models or prototypes have been licensed for shipment to these countries in the past.

These recommendations, which embody only some of the committee's major views, are as pertinent today as they were at the time the report was filed, even more so. Yet they have been largely ignored.

The President said at a recent press conference on August 25:

Our economic strength is the keystone of free world peace.

I am in full accord with that observation. It is based on a recognition of the fact that the economic strength of a nation is the key to its overall strength, militarily, politically, and otherwise.

However, it is also true that the economic strength of the U.S.S.R. and its satellites is the key to the overall strength of the bloc. It stands to reason that this is why they are feverishly attempting to build up their economic base. To do this they are turning to the free world.

The Communist system, in essence, depends on totalitarian economic planning. The plan of the Communist bloc is to strengthen itself by centralizing the various capabilities within the nation best equipped to handle them. This not only creates more efficient uses of the resources available to the bloc but also produces increased sufficiency of the bloc to act as a whole. Trade with the outside is used to augment their needs, preferably on a temporary or case-by-case basis, to help overcome shortages or build up critical areas of their industries.

What is not fully known or appreciated, however, is the extent to which the administration has gone toward complying with their wishes.

As part of this, increasingly, you are seeing campaigns being launched to attempt to sell American industry and the public on the idea of trading with the Communist bloc. We are subjected to an onslaught of phrases about building bridges to the East, that it is in our interest to sell to the Communists, that we should engage in what is called peaceful trade, and so forth. Bars on our controls on trade with the Reds relating to areas they are in need of buying from the West are being steadily lowered.

Just consider some of the following examples of licenses that have been issued to sell to the Communists. The decisions made on these proposed shipments are, in my view, open to serious question.

An export license was issued on July 8, 1965, authorizing the shipment of chemical woodpulp to the Soviet Union valued at \$3,375,000. The chemical woodpulp is for use in the manufacture of rayon tire cord which, in turn, is used in the production of tires. The Department of Commerce, which issued the export license, has no information concerning the size of tires to be produced. How-

ever, the rayon cord is usable to produce both passenger car and truck tires. Obviously, any tires produced would have an important use in the Soviet military and economic buildup. The first shipment of this pulpwood was to have gone late in August. Three subsequent shipments are scheduled for September, October, and November.

On July 13, 1965, the Department issued a license authorizing shipment to the U.S.S.R. of grinding machines valued at \$2,436,800. These machines are used in the grinding of automotive crankshafts and camshafts, which are two of the most critical precision components of a motor. The equipment was authorized for shipment to Moscow for use in manufacturing passenger automobiles and light trucks. Again, both of these have various uses, economic and military.

In May of this year a license was issued to authorize shipping of technical data to the U.S.S.R. for use in the design and construction of an ethylene plant. The plant is to produce ethylene by cracking of heavy petroleum oil. One million metric tons of heavy oil annually would be the capacity of the plant. The ethylene production would be 240,000 metric tons per year. The plant would also produce other gases such as hydrogen propane, propylene, butane, butylenes and some gasoline. The Department of Commerce does not know what the end use of the products would be, though it commented that some of the major end products are plastic, petrochemicals and synthetic fibers.

Earlier, in April, the Department of Commerce issued a license to authorize shipment to the Soviet Union of technical data for the design and erection of a plant to manufacture 4,000 tons annually of para-chloroaniline and 2,500 tons annually of di-chloroaniline. Among the uses of these chemicals is the production of herbicides, or weed killers, though no specific information as to their end use was furnished by the Commerce Department.

Several months ago the Department of Commerce also issued a license to authorize selling to the U.S.S.R. of technical data for the production of what was listed by the Department merely as chemical products. It turned out that the technical data licensed for export was for the production of various items used to produce polystyrene. In response to my request for information on the end use, I was informed not what the polystyrene would be used for, but merely what some of its applications are such as in the manufacture of refrigerators, air conditioners, containers of many sorts, packaging for dishes, records, electronic coils, and others.

What the Department of Commerce did not say, however, is that polystyrene has a large variety of direct military and industrial uses. It is used, for example, as a binder in explosives. According to the Air Force it is used to insulate the exterior walls of large buildings. Polystyrene is used by the Army as an adapter for attachment of fuses to demolition blocks. The Nazis used it as an ignitor for the V-2 rockets and for nonmagnetic mines during World War II.

Polystyrene capacitors are used in the Minuteman program. Containers made out of this type of material have been found by our Armed Forces to be capable of safely holding comparatively large loads of explosive materials. Polystyrene is used in the manufacture of certain land mines which are fired by remote control. Polystyrene foam has been found to be an economical and lightweight material to replace wooden and steel containers to hold submarine smoke and illumination signals and marine location markers. These are only some of the many uses of this highly versatile and useful product.

A license was recently issued authorizing selling technical data to the Soviet zone of Germany to build a fertilizer plant. The data was for a phosphoric acid plant with a capacity of 20,000 tons annually for use in the production of various phosphate fertilizers.

On the subject of fertilizer equipment, in 1963 the Commerce Department issued a license authorizing exportation to the U.S.S.R. of \$9.5 million of highly automated mining machinery for use in mining potash for fertilizer purposes. The Department admitted that the equipment would make a significant contribution to the economic potential of the bloc. This license was granted after Secretary of Agriculture Freeman toured the U.S.S.R. in 1963 and on his return stated that Soviet Leader Khrushchev said strong emphasis would be placed on agriculture during the upcoming 5 years. It was also at about that time in 1963, that the big United States-Soviet wheat deal was announced.

Yugoslavia is a nation which has received special treatment in the granting of export licenses and, as a result, a large amount of goods and materials have been flowing to that nation.

Copper is a very vital product for both domestic and military uses. In fact, it was recently reported, on August 17, that because of the escalation of the war in Vietnam, the Commerce Department ordered manufacturers of basic copper products to increase by 10 percent, on the average, the proportion of their productive facilities that is set aside to fill military orders.

Yet, over the last 2 months, during July and August, 12 licenses were granted authorizing shipment of copper scrap to Yugoslavia valued at \$5,436,960. What is more, although Yugoslavia claims it has insufficient copper supplies to meet domestic requirements, it is a net exporter of semifinished and finished copper products. About one-third of its exports goes to Communist countries, principally the Soviet Union. It is reported that Yugoslavia plans to increase its copper production.

It is stated in the Export Control report for the second quarter of 1965, just released, that an application for export of copper scrap valued at \$481,388 to Hungary had been denied. But what is the good of such action if copper scrap can flow into the Communist bloc through Yugoslavia.

Last year, in the spring of 1964, the administration picked out Rumania as a country to which special treatment would

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has already deteriorated into a shameful example of predatory political patronage for the big city machines.

## PUBLIC ACCOMMODATIONS AND FACILITIES

Republican congressional leaders strongly supported measures to end discrimination in both public accommodations and public facilities. Here is an opportunity for the States to lead, for on public accommodations the enforcement of adequate State laws precludes the entrance of the Federal Government; this safeguard was inserted into the 1964 act at Republican initiative.

No aspect of the 1964 act received greater attention than title II, public accommodations. Enforcement of this title has been effectively applied to privately operated facilities serving the general public. Enforcement of title III, however, which applies to publicly owned and operated facilities such as parks and libraries, has been no better than spotty. Title III empowers the Attorney General to bring about compliance through appropriate enforcement proceedings. Although a number of complaints have been received by the Department of Justice, only 18 suits have been filed as of the middle of August 1965.

It is imperative that the administration meet its responsibility to enforce the provisions of title III no less vigorously than title II.

## STATE, PRIVATE AND LOCAL RESPONSIBILITY

We invite comparison of accomplishments in those States where Republican Governors have led effective civil rights programs with accomplishments in the Federal Government where, during 30 of the past 32 years Democrats have controlled the Congress, the White House, or both. But as Republicans we believe that while civil rights is a national problem and national responsibility, it is also the responsibility of State and local governments as well.

The Republican Party—the party devoted to preserving the true principles of the federal system—is dedicated to maximizing local responsibility. At the State and local levels of government, we urge enactment of laws designed to protect Constitutional guarantees and a vigorous implementation of such laws. We also urge private action at the local level to insure equal opportunity for all in the fields of education, housing, employment and public accommodations.

We deplore recent moves by administration leaders to weaken, and in some cases to deny, the traditional role of State Governors in matters basic to the well-being of the citizens of their States. In administration-sponsored actions by Congress this year the role of Governors in Federal housing and poverty programs has been thrust aside. Indeed, the whole trend of Federal legislation in the present Congress has been at the expense of State responsibility. Republicans will not rest their efforts to counter this trend.

## CONCLUSION

In a host of fields Republicans have initiated and aggressively supported legislation to prohibit discrimination. But law cannot achieve its goal unless it is impartially and faithfully executed by the administration in power. On the other hand, in many areas this administration has failed to enforce the law of the land. Republicans condemn this failure and demand full enforcement of the law—all of the law at every level.

Every American citizen must be afforded full opportunity to realize the goals he shares with all men; to be treated honorably, to live decently and securely, to hold a good job and to enable his children to do better than he has done. Our goal is a land of opportunity which provides opportunity and justice to all.

## U.S. AIDS CONFIRM SINGAPORE CHARGE OF 1960 CIA PLOT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 10 minutes.

Mr. RYAN. Mr. Speaker, this morning's New York Times contains news which will surely shock most Americans. It confirms the tale of an attempted bribe of \$3.3 million to the Prime Minister of Singapore, Mr. Lee Kuan Yew, to cover up an unsuccessful CIA operation in 1960.

The story serves to reiterate the need for careful congressional oversight of the Central Intelligence Agency, a need which I have recognized by introducing House Joint Resolution 649, to establish a Joint Committee on Foreign Information and Intelligence. This legislation is similar to that which I introduced in both the 87th and 88th Congresses.

I have consistently stated, ever since I was elected to the House in 1960, that it is inconsistent with the basic concepts of our democratic government to allow a large and extremely important agency, such as the Central Intelligence Agency, to avoid the scrutiny of the people and their representatives by hiding behind a veil of secrecy. The Congress and the people have a right to know and a right to regulate the intelligence services of this Nation. This last sordid incident merely underscores the necessity of such regulation.

Mr. Speaker, I call upon the House Rules Committee to conduct hearings in the near future on my bill and speed the enactment of CIA oversight that is long overdue.

The text of the story follows:

U.S. AIDS CONFIRM SINGAPORE CHARGE OF 1960 CIA PLOT—DENIAL IS LABELED AN ERROR AFTER PRIME MINISTER LEE DISPLAYS RUSK APOLOGY

(By Max Frankel)

WASHINGTON, Sept. 1.—The State Department yielded to an accuser's evidence today and withdrew a denial of attempted espionage and bribery by the Central Intelligence Agency in Singapore 5 years ago.

In effect, the Department confirmed a charge by Singapore Prime Minister Lee Kuan Yew, that a CIA agent had offered him a \$3.3 million bribe to cover up an unsuccessful CIA operation in 1960.

In the early months of the Kennedy administration, the Department conceded, Secretary of State Dean Rusk wrote a letter of apology to Mr. Lee. The letter took "a very serious view" of the activities of the previous Administration and indicated plans to discipline the offending intelligence agents.

## PENALTY IS UNDISCLOSED

A spokesman refused today to say what action, if any, had been taken.

It was Prime Minister Lee's disclosure of the Rusk letter that prompted the State Department to withdraw its denial.

Mr. Lee initially made his charge yesterday in listing several grievances against the United States. He said that a CIA man had been caught trying to buy information from Singapore intelligence officials and that the United States had then offered him \$3.3 million for personal and political use if he would conceal the affair.

The Prime Minister said he had asked instead for \$33 million in formal economic de-

velopment aid for Singapore. U.S. aid to all of Malaysia, the federation from which Singapore withdrew this summer, was \$3.5 million in 1963 and \$4 million in 1964.

## INITIAL DENIAL WAS PROMPT

Mr. Lee's recollection of the incident drew immediate denials from James D. Bell, the U.S. Ambassador to Malaysia, and several hours later from the State Department.

Robert J. McCloskey, the Department's spokesman, said yesterday: "First, we are surprised at these statements attributed to Prime Minister Lee. With respect to allegations of a CIA involvement, we deny that allegation."

After Mr. Lee produced the letter from Secretary Rusk, dated April 15, 1961, and threatened to broadcast tape recordings to prove his charge, an embarrassed Mr. McCloskey corrected himself.

"Those who were consulted yesterday were not fully aware of the background of the incident, which occurred 4½ years ago," he said. He acknowledged Mr. Rusk's letter without describing the "unfortunate incident" for which the Secretary has asked forgiveness. It was the same incident that Prime Minister Lee was talking about, Mr. McCloskey added.

## RUSK DISTRESSED

Mr. Rusk's letter said:

"DEAR MR. PRIME MINISTER: I am deeply distressed to learn that certain officials of the U.S. Government have been found by your Government to have been engaged in improper activities in Singapore. I want you to know I regret very much that this unfortunate incident had occurred to mar the friendly relations that exist between our two Governments."

"The new administration takes a very serious view of this matter and in fact is reviewing activities of these officials for disciplinary action."

"Sincerely yours,

DEAN RUSK."

Apparently, Secretary Rusk was not consulted yesterday before the denial was issued. Relatively new officials in the Far East Division of the Department were said to have been unaware of the case, and apparently then failed to consult the files. The CIA apparently relayed the denial of wrongdoing that it customarily issues to the rest of the Government when confronted by such charges.

Asked whether Ambassador Bell had been similarly uninformed of the background, the Department spokesman said he had. No further approaches were made today to the Singapore Government. The case was long ago marked "closed" in the files here, Mr. McCloskey added.

## U-2 INCIDENT IS RECALLED

The affair reminiscent of the 1960 case in which the State Department denied that a U-2 reconnaissance plane had ventured deep into Soviet territory. Moscow denounced the intrusion without immediately disclosing that the plane and the pilot had been captured. Later the United States was forced to admit a falsehood.

Prime Minister Lee's sudden public attacks upon the United States are described here as puzzling. In addition to the CIA incident, he has complained about delays in arranging for an American physician to attend to a close friend—some suggest that the friend was his wife—and about a general "insensitivity" of Americans in Asia.

Mr. Lee declared yesterday that he would never let Americans replace the British in maintaining a military base in Singapore, but the severity of his attack seemed to go beyond concern about the base.

Some officials suggested that he might have been appealing for African and Asian support



of Singapore's independence outside the Malaysian federation, but officials termed this an inadequate explanation.

#### LEE ANGERED BY DENIAL

SINGAPORE, Sept. 1—Washington's denial of Singapore's charge against the CIA aroused Prime Minister Lee to anger today.

Escorting reporters into his office, he angrily jerked out files stamped "top secret." Pressing the Rusk letter into an American correspondent's face, he said, "The Americans stupidly deny the undeniable."

#### LIKE "GOLDFINGER"

"If the Americans go on denying," he said, "I will have to disclose further details, which may sound like James Bond and 'Goldfinger' only not as good, but putrid and grotesque enough. It will do them no good and our future relations no good."

Prime Minister Lee's press secretary, Li Wei Chin, said the Americans' \$3 million bribe offer was made in January 1961, before President Kennedy took office. He said Mr. Kennedy had inherited the problem and "to his credit" ruled that no money would be given "under the counter." Compensation would be given publicly instead, as foreign aid, according to Mr. Li's account of the Kennedy decision.

Prime Minister Lee said he had full reports and documents relating to the incident, including transcripts of tape recordings, interrogations and meetings.

"If they continue denying it, I will play some of these tapes on Singapore radio," Mr. Lee added. "If they continue to repeat the denial, I will have to disclose who the intermediary was, and very high circles would be greatly embarrassed."

He added: "The Americans should know the character of the men they are dealing with in Singapore and not get themselves further dragged into calumny. They are not dealing with Ngo Dinh Diem or Syngman Rhee. You do not buy and sell this Government."

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(Mr. BOGGS (at the request of Mr. WELTNER) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BOGGS. Mr. Speaker, one of the noted islands off the coast of this great country of ours—an island which is closely identified with the earlier history of our Nation and of my State of Louisiana and its neighbor, the State of Mississippi—is Ship Island, or Isle aux Vaisseaux. This 2-square-mile island, measuring some 8 miles long and from one-fifth to four-fifths of a mile wide, lies less than a dozen miles off the Mississippi Gulf Coast near Biloxi, Miss.

In the year 1699, Pierre Le Moyne, Sieur d'Iberville, landed at Ship Island, prior to sailing on to the mouth of the Mississippi River. He and his men found temporary refuge there, and Iberville named the island Isle aux Vaisseaux, or Ship Island, and its nearby companion Isle, Cat Island. Later, the British expedition against New Orleans, my home city, used the island as a way station pre-

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Today, the National Government owns two small parcels of land which are used by the U.S. Coast Guard. The remainder of the island is owned by the Joe Graham Post No. 119 of the American Legion—three parcels—and the Mississippi State Park Commission—one parcel. The Joe Graham Post of the legion, Mr. Speaker, owns the parcel where stands old Fort Massachusetts. It was in 1933 that Congressman WILLIAM COLMER, of Mississippi, along with the late Congressman Rankin, succeeded in transferring to the Joe Graham American Legion Post, by means of the enactment of Public Law 73-60, three parcels of the then federally owned land on the island, with the proviso that the legion post maintain the land for use as a recreational park. This the members of the Joe Graham Post have done, and today, some 40,000 tourists visit Ship Island, in order to walk on its sandy beaches and enjoy the warm sunshine and the salt air out of the Gulf of Mexico.

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Ship Island, Mr. Stevens points out, "is now owned or controlled by the Federal Government. \* \* \* There is no acquisition cost involved should the present Congress approved H.R. 6320." And, Mr. Stevens adds: "There are national seashore recreational areas at Cape Hatteras, N.C.; Cape Cod, Mass.; Point Reyes, Calif.; Padre Island, Tex.; and pending consideration at Fire Island, N.Y."

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It was from Ship Island that Iberville set out in his two smaller craft to discover the

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has already deteriorated into a shameful example of predatory political patronage for the big city machines.

#### PUBLIC ACCOMMODATIONS AND FACILITIES

Republican congressional leaders strongly supported measures to end discrimination in both public accommodations and public facilities. Here is an opportunity for the States to lead, for on public accommodations the enforcement of adequate State laws precludes the entrance of the Federal Government; this safeguard was inserted into the 1964 act at Republican initiative.

No aspect of the 1964 act received greater attention than title II, public accommodations. Enforcement of this title has been effectively applied to privately operated facilities serving the general public. Enforcement of title III, however, which applies to publicly owned and operated facilities such as parks and libraries, has been no better than spotty. Title III empowers the Attorney General to bring about compliance through appropriate enforcement proceedings. Although a number of complaints have been received by the Department of Justice, only 18 suits have been filed as of the middle of August 1965.

It is imperative that the administration meet its responsibility to enforce the provisions of title III no less vigorously than title II.

#### STATE, PRIVATE AND LOCAL RESPONSIBILITY

We invite comparison of accomplishments in those States where Republican Governors have led effective civil rights programs with accomplishments in the Federal Government where, during 30 of the past 32 years Democrats have controlled the Congress, the White House, or both. But as Republicans we believe that while civil rights is a national problem and national responsibility, it is also the responsibility of State and local governments as well.

The Republican Party—the party devoted to preserving the true principles of the federal system—is dedicated to maximizing local responsibility. At the State and local levels of government, we urge enactment of laws designed to protect Constitutional guarantees and a vigorous implementation of such laws. We also urge private action at the local level to insure equal opportunity for all in the fields of education, housing, employment and public accommodations.

We deplore recent moves by administration leaders to weaken, and in some cases to deny, the traditional role of State Governors in matters basic to the well-being of the citizens of their States. In administration-sponsored actions by Congress this year the role of Governors in Federal housing and poverty programs has been thrust aside. Indeed, the whole trend of Federal legislation in the present Congress has been at the expense of State responsibility. Republicans will not rest their efforts to counter this trend.

#### CONCLUSION

In a host of fields Republicans have intimidated and aggressively supported legislation to prohibit discrimination. But law cannot achieve its goal unless it is impartially and faithfully executed by the administration in power. On the other hand, in many areas this administration has failed to enforce the law of the land. Republicans condemn this failure and demand full enforcement of the law—all of the law at every level.

Every American citizen must be afforded full opportunity to realize the goals he shares with all men; to be treated honorably, to live decently and securely, to hold a good job and to enable his children to do better than he has done. Our goal is a land of opportunity which provides opportunity and justice to all.

### U.S. AIDS CONFIRM SINGAPORE CHARGE OF 1960 CIA PLOT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 10 minutes.

Mr. RYAN. Mr. Speaker, this morning's New York Times contains news which will surely shock most Americans. It confirms the tale of an attempted bribe of \$3.3 million to the Prime Minister of Singapore, Mr. Lee Kuan Yew, to cover up an unsuccessful CIA operation in 1960.

The story serves to reiterate the need for careful congressional oversight of the Central Intelligence Agency, a need which I have recognized by introducing House Joint Resolution 649, to establish a Joint Committee on Foreign Information and Intelligence. This legislation is similar to that which I introduced in both the 87th and 88th Congresses.

I have consistently stated, ever since I was elected to the House in 1960, that it is inconsistent with the basic concepts of our democratic government to allow a large and extremely important agency, such as the Central Intelligence Agency, to avoid the scrutiny of the people and their representatives by hiding behind a veil of secrecy. The Congress and the people have a right to know and a right to regulate the intelligence services of this Nation. This last sordid incident merely underscores the necessity of such regulation.

Mr. Speaker, I call upon the House Rules Committee to conduct hearings in the near future on my bill and speed the enactment of CIA oversight that is long overdue.

The text of the story follows:

U.S. AIDS CONFIRM SINGAPORE CHARGE OF 1960 CIA PLOT—DENIAL IS LABELED AN ERROR AFTER PRIME MINISTER LEE DISPLAYS RUSK APOLOGY

(By Max Frankel)

WASHINGTON, Sept. 1.—The State Department yielded to an accuser's evidence today and withdrew a denial of attempted espionage and bribery by the Central Intelligence Agency in Singapore 5 years ago.

In effect, the Department confirmed a charge by Singapore Prime Minister Lee Kuan Yew, that a CIA agent had offered him a \$3.3 million bribe to cover up an unsuccessful CIA operation in 1960.

In the early months of the Kennedy administration, the Department conceded, Secretary of State Dean Rusk wrote a letter of apology to Mr. Lee. The letter took "a very serious view" of the activities of the previous Administration and indicated plans to discipline the offending intelligence agents.

#### PENALTY IS UNDISCLOSED

A spokesman refused today to say what action, if any, had been taken.

It was Prime Minister Lee's disclosure of the Rusk letter that prompted the State Department to withdraw its denial.

Mr. Lee initially made his charge yesterday in listing several grievances against the United States. He said that a CIA man had been caught trying to buy information from Singapore intelligence officials and that the United States had then offered him \$3.3 million for personal and political use if he would conceal the affair.

The Prime Minister said he had asked instead for \$33 million in formal economic-de-

velopment aid for Singapore. U.S. aid to all of Malaysia, the federation from which Singapore withdrew this summer, was \$3.5 million in 1963 and \$4 million in 1964.

#### INITIAL DENIAL WAS PROMPT

Mr. Lee's recollection of the incident drew immediate denials from James D. Bell, the U.S. Ambassador to Malaysia, and several hours later from the State Department.

Robert J. McCloskey, the Department's spokesman, said yesterday: "First, we are surprised at these statements attributed to Prime Minister Lee. With respect to allegations of a CIA involvement, we deny that allegation."

After Mr. Lee produced the letter from Secretary Rusk, dated April 15, 1961, and threatened to broadcast tape recordings to prove his charge, an embarrassed Mr. McCloskey corrected himself.

"Those who were consulted yesterday were not fully aware of the background of the incident, which occurred 4½ years ago," he said. He acknowledged Mr. Rusk's letter without describing the "unfortunate incident" for which the Secretary has asked forgiveness. It was the same incident that Prime Minister Lee was talking about, Mr. McCloskey added.

#### RUSK DISTRESSED

Mr. Rusk's letter said:

"DEAR MR. PRIME MINISTER: I am deeply distressed to learn that certain officials of the U.S. Government have been found by your Government to have been engaged in improper activities in Singapore. I want you to know I regret very much that this unfortunate incident had occurred to mar the friendly relations that exist between our two Governments."

"The new administration takes a very serious view of this matter and in fact is reviewing activities of these officials for disciplinary action."

"Sincerely yours,

DEAN RUSK."

Apparently, Secretary Rusk was not consulted yesterday before the denial was issued. Relatively new officials in the Far East Division of the Department were said to have been unaware of the case, and apparently then failed to consult the files. The CIA apparently relayed the denial of wrongdoing that it customarily issues to the rest of the Government when confronted by such charges.

Asked whether Ambassador Bell had been similarly uninformed of the background, the Department spokesman said he had. No further approaches were made today to the Singapore Government. The case was long ago marked "closed" in the files here, Mr. McCloskey added.

#### U-2 INCIDENT IS RECALLED

The affair reminiscent of the 1960 case in which the State Department denied that a U-2 reconnaissance plane had ventured deep into Soviet territory. Moscow denounced the intrusion without immediately disclosing that the plane and the pilot had been captured. Later the United States was forced to admit a falsehood.

Prime Minister Lee's sudden public attacks upon the United States are described here as puzzling. In addition to the CIA incident, he has complained about delays in arranging for an American physician to attend to a close friend—some suggest that the friend was his wife—and about a general "insensitivity" of Americans in Asia.

Mr. Lee declared yesterday that he would never let Americans replace the British in maintaining a military base in Singapore, but the severity of his attack seemed to go beyond concern about the base.

Some officials suggested that he might have been appealing for African and Asian support



of Singapore's independence outside the Malaysian federation, but officials termed this an inadequate explanation.

#### LEE ANGERED BY DENIAL

SINGAPORE, Sept. 1—Washington's denial of Singapore's charge against the CIA aroused Prime Minister Lee to anger today.

Escorting reporters into his office, he angrily jerked out files stamped "top secret." Pressing the Rusk letter into an American correspondent's face, he said, "The Americans stupidly deny the undeniable."

#### LIKE "GOLDFINGER"

"If the Americans go on denying," he said, "I will have to disclose further details, which may sound like James Bond and 'Goldfinger' only not as good, but putrid and grotesque enough. It will do them no good and our future relations no good."

Prime Minister Lee's press secretary, Li Wei Chin, said the Americans' \$3 million bribe offer was made in January 1961, before President Kennedy took office. He said Mr. Kennedy had inherited the problem and "to his credit" ruled that no money would be given "under the counter." Compensation would be given publicly instead, as foreign aid, according to Mr. Li's account of the Kennedy decision.

Prime Minister Lee said he had full reports and documents relating to the incident, including transcripts of tape recordings, interrogations and meetings.

"If they continue denying it, I will play some of these tapes on Singapore radio," Mr. Lee added. "If they continue to repeat the denial, I will have to disclose who the intermediary was, and very high circles would be greatly embarrassed."

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H.R. 10238: Service Contract Act of 1965.

H.R. 9830: Amending Federal Property and Administrative Services Act to permit reimbursement to a State or political subdivision for sidewalk repair and replacement.

Mr. Speaker, these suspensions may not necessarily be called up in this order.

Also on Monday there will be H.R. 9247, HemisFair 1968, to be considered under an open rule with 1 hour of debate; and H.R. 30, Inter-American Cultural and Trade Center, to be considered under an open rule with 1 hour of debate.

Tuesday is Private Calendar Day.

For Tuesday and the balance of the week:

S. 2300, river and harbor, beach erosion, flood control projects, and water supply, to be considered under an open rule, waiving points of order, with 3 hours of debate. That is the omnibus rivers and harbors and flood control bill.

H.R. 7371, to amend the Bank Holding Company Act of 1956, to be considered under an open rule with 4 hours of debate.

H.R. 10232, rural water and sanitation facilities, to be considered under an open rule waiving points of order, with 2 hours of debate.

S. 2294, Extension of Wheat Agreement Act, to be considered under an open rule with 1 hour of debate.

S. 306, Clean Air and Solid Waste Disposal Acts, to be considered under an open rule with 2 hours of debate.

H.R. 3140, Heart Disease, Cancer, and Stroke Amendments of 1965, to be considered under an open rule with 3 hours of debate.

This announcement, of course, is made subject to the usual reservation that conference reports may be brought up at any time and that any further program may be announced later.

I must advise Members that there will be conference reports, and some very important ones, next week.

#### ADJOURNMENT TO MONDAY, SEPTEMBER 20, 1965

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### CALENDAR WEDNESDAY BUSINESS DISPENSED WITH

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to dispense with business in order on Calendar Wednesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### BEN F. JENSEN—CORRECTION OF THE RECORD

(Mr. GROSS asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, in the CONGRESSIONAL RECORD of this morning I find reference to "the late Ben F. Jensen, of Iowa."

I am sure this was an inadvertent or typographical error. I am pleased to announce to the House that our former colleague, Ben Jensen, is hale and hearty, and as active in politics as ever.

#### RESTORE POSTAL SERVICE TO AMERICA

(Mr. LANGEN (at the request of Mr. HUTCHINSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LANGEN. Mr. Speaker, now that the Post Office Department has shamefully confessed its political spoils system in hiring summer youths, and has agreed to reveal their names, perhaps the Washington planners can find a little time to provide a bit of mail service to the Nation. After all, service should be the prime concern of these people, and it is time they were reminded that present policies are providing little of that important commodity.

It was just 2½ months' ago that the Department planners implemented their grand scheme for America, and the resulting confusion and mounting examples of deteriorating service is almost unbelievable. I said at that time that mail service would suffer, especially in rural America, and the mountain of mail that has accumulated since indicates that service, indeed, has suffered.

I have a long list of examples of the complaints I continue to get. For instance, a superintendent in one of our schools needed an application blank for the National Defense Education Act. He finally got it 9 days after it was postmarked from a city just 150 miles away. The delay could have cost his school thousands of dollars, and would have if other Government people had not recognized the problems being faced by users of the mails and given him an extension of time. The same superintendent experienced a similar delay in the mails this past August when he attempted to communicate with a prospective teacher. He lost the teacher in the process and did not obtain a replacement until a week after school opened.

I hear regularly from our local newspaper editors who are justifiably concerned over the decreased service they get these days. They now have the added expense of sacking their own mail, waiting needless extra days to receive mats and pictures through the mail, and then are rewarded with complaints from their subscribers who fail to receive their papers within a reasonable time. Examples along this line even include delivery of a paper through the mail to a man a block away from the newspaper office. The mail, sacked by the newspaper, goes to a neighboring town first and then this man's paper is trucked back to the local post office. As one editor put it:

A newspaper that isn't delivered to a reader is about as useless as anything we can think of.

About the only things more useless are the Washington planners who keep telling us that our mail service is better than ever.

I note, Mr. Speaker, that the Post Office Department wants a supplemental appropriation with which to hire an additional 13,200 career employees to handle what they call the increased volume of mail. If they are to be hired on the same basis as the summer employees, I would say to forget it. They would be too busy politicking to be of much help to the harassed postal workers of the Nation who are forced to suffer under a system they did not create.

What we need most in the country is a change in policy that will restore the postal service to its former efficiency when neither hail, wind, dark of night of the ZIP code number could keep your mail from reaching its destination on time.

As one of my constituents put it recently:

We spend money like mad to get to the moon or unite capsules in space, but we cannot devise a reliable plan to send a small piece of mail just 26 miles down the road.

I suggest we not only can, but must, devise such a system, and it is time for the Department to forget politics and get with it.

(Mr. LANGEN (at the request of Mr. HUTCHINSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. LANGEN'S remarks will appear hereafter in the Appendix.]

*Singapore*  
ARE WE UP TO IT?

(Mr. EDWARDS of Alabama (at the request of Mr. HUTCHINSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EDWARDS of Alabama. Mr. Speaker, the recent incident in which our State Department was acutely embarrassed in first denying and then admitting a charge made against us by the Singapore Prime Minister suggests once again that perhaps the United States is simply not meeting the tests of world leadership, particularly in Asia.

Furthermore, it appears likely that other nations have understood this for some time, and we as Americans have not grasped it yet. There must be a strong feeling in halls of governments around the world that the Johnson administration, like the Kennedy administration before it, lacks a basic understanding of how to handle U.S. relations with Asian nations.

Two days ago Pakistan's Government issued a sharp challenge to us to use our influence to stop the Pakistan-India conflict. There may be several meanings attached to that challenge. But whatever else it may be, it is an indication of the low respect with which Asian nations view our ability to adequately deal with Asian affairs.



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The Singapore affair is further discussed in the following editorial from the Birmingham Post Herald of September 9:

#### FOOT IN UNCLE'S MOUTH

Every once in a while, somebody opens his mouth and puts his foot, not in it, but in Uncle Sam's. That hurts us all.

We don't know the exact ins and outs of the charge by Singapore Prime Minister Lee Kuan Yew that back in 1960 a bribe of \$3 million was offered by a CIA agent and that later a letter of apology arrived from incoming Secretary of State Dean Rusk, along with a statement that the new Kennedy administration would not countenance such goings on.

We do know that both at the State Department and in Malaysia on Tuesday, U.S. spokesmen denied flatly that the incident ever occurred. And that on Wednesday, the State Department discovered the Rusk letter after Lee revealed he had not only a copy of it but a tape recording of conversations with the CIA agent.

The point at issue is not to criticize Mr. Lee, who apparently brought up the matter for domestic political reasons. Nor is it to castigate the CIA, since details of the original affair are obscure.

What bothers us—and considerably—is that the State Department could be so positive on one day that nothing of the sort ever happened and so positive on the next day that it did.

In the famous U-2 incident which also occurred in 1960, misrepresentation by U.S. officials made this country look ridiculous in the eyes of the world. Handling of this latest affair gives us reason to wonder if our official spokesmen really have learned anything since then.

I want also to include in my remarks an editorial on the same subject which was broadcast over stations WBRC and WBRC-TV in Birmingham on September 8:

#### NO ESPIONAGE EXPERTS—THE UNITED STATES

Once again the United States has jumped into a situation involving foreign relations with both left feet. Why do we always have to get caught in a lie, and then turn around and admit it, branding ourselves as liars before the whole world?

What if we did want information available in Singapore in 1960 bad enough to pay \$3 million for it? We are engaged in the intelligence business, and we'd better stay in it as effectively as possible.

We don't know what prompted Singapore's Prime Minister, Lee Kuan Yew to bring up the matter of a State Department apology dated April 15, 1961, at this late date, but he minced no words over the State Department's denial of his charges that the U.S. Government offered him a \$3 million bribe to keep quiet about the arrest of a Central Intelligence Agency operative who allegedly tried to buy state secrets. Lee said the U.S. Government was stupidly denying the undeniable and threatened documentation. At this point the State Department admitted the whole incident.

If our State Department does not yet know that to the oriental mind honor and face come before even life itself, it's time they learned. Prime Minister Lee could not have done other than he did, throwing the matter full in the face of the U.S. Government.

This is getting to be too much of a habit with our country: President Eisenhower and the U-2 flights over Russia, first denied, then admitted; President Kennedy and the missiles in Cuba, first denied, then admitted.

It would be much better if we announced to all that we intend to use any means at hand to gain the information necessary for our

continued survival and well-being. Doesn't everyone?

(Mr. MOORE (at the request of Mr. HUTCHINSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. MOORE'S remarks will appear hereafter in the Appendix.]

(Mr. MOORE (at the request of Mr. HUTCHINSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. MOORE'S remarks will appear hereafter in the Appendix.]

#### ARMED FORCES INSIGHT TO THE RESERVES DISPUTE

(Mr. HOSMER (at the request of Mr. HUTCHINSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HOSMER. Mr. Speaker, now that Secretary McNamara has announced he will continue to seek the merger of the Armed Forces Reserves and National Guard, the following series of three fine articles on the problem are again pertinent. Mr. Everett W. Hosking, author of the series has for many years been regarded as one of the Nation's outstanding experts concerning the subject about which he has written.

The three-part series follows:

#### THE "QUIET" WAR OVER OUR RESERVES—PART 1 (By Everett W. Hosking)

While crises grow and manpower shrinks, what some say is one of the most important battles in history is going on—almost without notice—in Washington.

The battle is over Secretary of Defense Robert McNamara's plan to realign the reserve structure of the Armed Forces of the United States.

Secretary McNamara's opponents, pointing out that the citizen soldier has historically been the backbone of the Nation's defense, say that the strong-willed Defense Secretary is out to scuttle the Nation's reserve forces.

Regardless of the motive, ultimate outcome of the proposed realignment will directly affect nearly 70,000 men and women in the greater Long Beach-Orange County area.

This figure includes men of the Army, Navy, Air Force, and Marine Corps Reserve and members of the California National Guard.

Of immediate importance to all branches of the Reserve are hearings being conducted in Washington by a subcommittee of the House Military Affairs Committee headed by Congressman F. EDWARD HEBERT on a proposal to transfer men of the Army Reserve into the National Guard of the various States. Outcome of this hearing will unquestionably affect the other branches of the Reserve forces.

A similar proposal to transfer the Air Force Reserve into the Air National Guard scheduled to be announced in January has been held in abeyance—presumably to see how the proposed Army-National Guard merger fares.

While the Navy and Marine Corps Reservists have not been mentioned, many reservists feel that the doom of the other two Re-

serve services will seal the fate of the Navy and Marine Reservists.

The transfer to the National Guard of the Army Reserves would directly affect 3,519 officers and 22,508 enlisted men in Los Angeles and Orange counties who are now affiliated with the Army Reserve.

Basically, Secretary McNamara's proposal regarding the Army Reserve would reduce their strength by 150,000 men who would be transferred to the National Guard and eliminate 21 Army Reserve combat divisions. Those who did not transfer would be retained in a pool monitored by a central headquarters but would receive no training other than correspondence courses.

Secretary McNamara claims that the changes would significantly improve the early deployment capability and the combat readiness of the Reserve, that the plan brings the Reserve structure in line with the contingency war plans and the related equipment program; the plan would produce increased readiness of units in the Reserve and the National Guard and primarily that the plan would streamline the management structure of the Army Reserve Forces and would result in a cost savings of \$150 million a year.

One of the chief complaints about McNamara's proposal was that it was conceived in secrecy and "broken" to newsmen on December 12, 1964 when Congress was not in session and that it bypassed the Reserve Policy Committee which is set up by law to supervise the Reserve structure.

The Reserve Officers Association has pointed out that only the Congress of the United States can make major changes in the statutory structure and policy of the military—yet this decision was made before the national election and the decision was announced after the election and while Congress was not in session.

They charge that "historically it has been proven that control and command of all military forces committed to the defense of the Nation must rest with the Armed Services. To propose the fragmentation of this authority among 52 National Guard jurisdictions will result in organization chaos, deterioration of combat readiness, and the erosion of every purpose of these men and weapons."

Chairman HEBERT of the congressional subcommittee hearing testimony on the merger says this:

"The Government of the United States belongs to the people who must stake their property and their lives in its defense. They have a right to know—within the limits of security—about all the behind-the-scenes maneuvers which affect their national security and pose dangers to it. I am determined that this knowledge shall be theirs.

"The question at issue is not the merit nor lack of merit of this newly and secretly concocted plan, but the stealthy manner in which it was conceived and prepared and then fed to those who should have been consulted when the plan was in its embryonic stage.

"The statement by Secretary McNamara that this plan will save \$150 million is like too many other statements which he makes about savings but which are, in reality, as phony as a three dollar bill. If he is correct in his allegations, he should be anxious to have the opportunity to put his cards on the table face up so that all might see. There must be a reason why he consistently fails to take the Congress and other responsible groups and individuals into his confidence.

"Two years ago the House Armed Services Committee, in its report on the Reserve reorganization, observed that Secretary McNamara was not draped with the cloak of infallibility nor did he enjoy the wisdom of the Deity. That observation becomes more valid with the passing of each day."



September 15, 1965

## CONGRESSIONAL RECORD — SENATE

23009

Mr. ROBERTSON. With that understanding I shall not object, but I hope after that we may proceed with the bill, because it is not a minor bill.

Mr. RANDOLPH. I agree with the Senator from Virginia, and for that reason, very frankly, I hope Senators will not discuss this nongermane subject.

I ask unanimous consent that the Senator from Delaware be permitted to speak.

The PRESIDING OFFICER. Does the request of the Senator from West Virginia include any time limitation? The Chair is asking for information.

Mr. WILLIAMS of Delaware. No.

The PRESIDING OFFICER. Does the Senator make any request as to retention of the floor?

Mr. WILLIAMS of Delaware. No; I do not do that.

The PRESIDING OFFICER. Is there objection to the request? None is heard, and it is so ordered.

Mr. WILLIAMS of Delaware. Before I proceed, I understand that there is no time limitation; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WILLIAMS of Delaware. I shall be brief. As I told the Senator from West Virginia I would not want a time limitation. I appreciate the fact that there is an important bill before the Senate, and I appreciate the fact that he wishes to proceed to discuss it.

I point out, however, that there is nothing world shaking in the bill. I tried to obtain a copy of it this morning as late as 10 o'clock, and it had not even come back from the printer, which shows how fast we are moving. It is about a \$320 million bill which is before the Senate for consideration. It had not even been printed until about an hour ago, and certainly the Texas steam roller, even under the Great Society, can slow down that long.

I am correct, then, in my understanding that there is no time limitation as far as I am concerned; however, I assure the Senators that I shall take no longer than necessary.

#### NOMINATION OF DAVID BRESS TO BE DISTRICT ATTORNEY FOR DISTRICT OF WASHINGTON, D.C.

Mr. WILLIAMS of Delaware. Mr. President, the nomination of Mr. David Bress to fill the vacancy as district attorney for the District of Washington, D.C., has been submitted to the Senate.

I do not know Mr. Bress. He may be a very able man. He may be a man of the greatest integrity; however, in the light of the past position which Mr. Bress had as one of the attorney for Bobby Baker's vending company, it is not proper that he be appointed at this time as the U.S. attorney in Washington, D.C.

It is common knowledge that a Federal grand jury is at work in the District of Columbia on the affairs of Mr. Robert G. Baker. Although Mr. Bress might disassociate himself from the work of the Baker grand jury, I do not believe this is enough. There must be an investigation that is thorough and aggressive and one that appears to be thorough and aggressive in every respect.

It is not only important that the investigation be honest; it is equally important that the investigation gives the appearance of being honest.

The public must be shown that Bobby Baker and his kind will be investigated and prosecuted in the same manner as any other influence peddlers. The appearances are particularly important in the Baker case because of his former influential position as Secretary to the Democratic majority in the Senate and because of his past associations with some of the highest public figures in this Nation.

The public must be shown that there is no double standard of justice by which the Bobby Bakers are shielded by friends in the Senate, investigated by friendly U.S. attorneys, or brought before courts stacked with his political cronies.

The attempted whitewash of the Baker case by the Democratic majority of the Rules Committee has disillusioned many citizens. This Nation needs assurance that the whitewashing is ended in this Baker matter. The nomination of Mr. Bress does little to restore confidence in the Johnson administration. Instead it can only be interpreted as a continuation of the efforts to protect Bobby Baker and keep a tight lid on the whole Baker operation.

If the administration did not know that Mr. Bress represented Serv-U in the civil suit that launched the Baker matter, then the administration was lax in its preliminary study in making this nomination.

If the facts were known by the President and others then the nomination can be regarded as an arrogant disregard for normal ethical sensitivity and for public opinion.

If a lawyer for the Teamsters Union were named as U.S. attorney or judge in an area where Mr. Hoffa was under investigation it would be regarded as shocking. I consider it no less shocking when an influence peddler, such as Mr. Baker has been proven to be, ends up with so many friends in court. I hope it is carelessness. I hope there are no callous efforts to stack the deck.

This nomination should be withdrawn by the administration.

If it is not the Senate should hold it up until after the whole Baker investigation and prosecution is disposed of.

Mr. President, yesterday, in response to a suggestion concerning the advisability of having his nomination either withdrawn or held up until after the Baker case had been disposed of, Mr. Bress is quoted as having said that while he admitted he was the attorney for the Serv-U Corp. he was not aware that Mr. Baker was a stockholder. Such an excuse is ridiculous.

As evidence that Mr. Bress did know or at least that he should have known that Mr. Baker was connected with this company I ask unanimous consent to have printed in the Record a copy of a document filed in the district court by Mr. David G. Bress in his capacity as the attorney for the Serv-U Corp. Under date of October 22, 1963.

There being no objection, the document was ordered to be printed in the Record, as follows:

IN THE U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—CAPITOL VENDING CO., INC., WASHINGTON, D.C., PLAINTIFF v. ROBERT G. BAKER, U.S. CAPITOL; FRED BLACK, JR.; ERNEST C. TUCKER, SERV-U CORP., WASHINGTON, D.C., DEFENDANTS—CIVIL ACTION No. 2249-63

(Filed October 22, 1963, Harry M. Hull, clerk.)

#### ANSWER OF DEFENDANT SERV-U CORP.

The defendant, Serv-U Corp., by its attorney, for its answer to the complaint says as follows:

##### First defense

The complaint fails to state a valid claim upon which relief can be granted.

##### Second defense

1. Defendant admits the jurisdiction of this court.

2. Defendant does not have sufficient information or knowledge to either admit or deny the averments of paragraph 2.

3-5. Defendant admits the averments of paragraphs 3, 4, and 5.

6. Defendant denies that it is a corporation organized under the laws of California, but avers that it is a corporation organized under the laws of Delaware and has an office in the District of Columbia at 2000 P Street NW., Washington, D.C.

7-9. Defendant does not have sufficient information or knowledge to either admit or deny the averments of paragraphs 7, 8, and 9.

10. Defendant admits that it is engaged in the coin operated vending machine business in California and that it has contracts relating to the installation and operation of such machines in various plants in California, including certain plants of North American Aviation Corp. but this defendant denies that Robert G. Baker is a stockholder of record and is without sufficient information or knowledge to admit or deny any equitable interest.

11. Defendant denies the averments relating to this defendant but has not sufficient information or knowledge to admit or deny the remaining averments of paragraph 11.

12. Defendant admits that Ernest C. Tucker is a stockholder of record in defendant and that he is its chairman of the board.

13-14. Defendant does not have sufficient knowledge or information to either admit or deny the averments of paragraphs 13 and 14.

15-19. Defendant denies the averments of paragraphs 15, 16, 17, 18, and 19.

Wherefore, defendant, Serv-U Corp., prays that a judgment be entered herein in its favor and that the complaint herein be dismissed with costs and that this defendant be awarded attorneys fees incurred by it herein.

DAVID G. BRESS,  
Attorney for defendant,  
Serv-U Corp.

WASHINGTON, D.C.

Mr. WILLIAMS of Delaware. Mr. President, this document relates to the suit which the Capitol Vending Co. had filed against Robert G. Baker, Fred Black, Jr., Ernest C. Tucker, and the Serv-U Corp. under Civil Action No. 2249-63.

While in this document they did not admit specific knowledge that Mr. Baker was a stockholder in the Serv-U Corp., nevertheless, as an attorney for Serv-U certainly Mr. Bress was aware of the facts of life, and as specific proof that at the time this document was filed Mr. Baker was actually a stockholder of the corporation I ask unanimous consent to have Mr. Baker's financial statement of February 1, 1963, printed in the Record.

There being no objection, the document was ordered to be printed in the Record, as follows:

43010

## CONGRESSIONAL RECORD — SENATE

September 15, 1965

Robert G. Baker, Washington, D.C., statement of condition, Feb. 1, 1963

Assets	Market value of assets Feb. 1, 1963	Liabilities and net worth	Amount
<b>Current assets:</b>		<b>Current liabilities:</b>	
Cash on hand and in banks.....	\$51,000	Accounts payable.....	\$43,000
Accounts receivable.....	68,000	Mortgages payable (installments due within 1 year (schedule 2)).....	31,800
Notes receivable.....	287,000	Notes payable (banks secured by stocks (schedule 3)).....	290,000
Cash-surrender value of life insurance.....	2,000		
U.S. Government retirement reserve.....	10,000		
Stocks (schedule 1).....	1,682,630		
<b>Total current assets.....</b>	<b>2,168,630</b>	<b>Total current liabilities.....</b>	<b>364,800</b>
<b>Fixed assets:</b>		<b>Fixed liabilities:</b>	
Real estate owned (schedule 2).....	456,666	Mortgages payable (schedule 2).....	120,500
Furniture and equipment.....	8,000	Less installment due within 1 year.....	31,890
<b>Total assets.....</b>	<b>2,620,296</b>	<b>Total, fixed liabilities.....</b>	<b>88,610</b>
		<b>Total liabilities.....</b>	<b>453,410</b>
		<b>Net worth.....</b>	<b>2,166,886</b>
		<b>Total liabilities and net worth.....</b>	<b>2,620,296</b>

## Real estate owned and mortgages payable, Robert G. Baker, Washington, D.C., Feb. 1, 1963

Description	Title in name of—	Market value, Feb. 1, 1963		Mortgages payable	
		Share owned, (percent)	Amount	Amount	Annual payment
Residence: 3324 Northampton St. NW, Washington, D.C.	Bobby G. and Dorothy C. Baker	100	\$85,000	\$13,000	\$1,530
House and 2 apartments: Blue Ridge Dr., Pickens, S.C.	Robert G. Baker and D. A. Holder	50	10,000	2,500	360
Entire block ocean front, 47th St. to 48th St., North Ocean City, Md.	Robert G. Baker, Gertrude and Don Novak	33	41,666	15,000	5,000
40 acres: Colesville Rd., Extended, Silver Spring, Md.	Don Novak and Robert G. Baker	50	120,000	15,000	10,000
42-unit motel: Howard Johnson, Charlotte, N.C.	Meeklenberg Enterprises	50	250,000	75,000	15,000
<b>Total market value, Feb. 1, 1963.....</b>			<b>456,666</b>		
<b>Total mortgages payable (Robert Baker's share), Feb. 1, 1963.....</b>				<b>120,500</b>	
<b>Total annual payment on mortgages.....</b>					<b>31,890</b>

## Stocks owned, Robert G. Baker, Washington, D.C., Feb. 1, 1963

Description	Shares owned	Market value Feb. 1, 1963	Pledged as collateral
Mortgage Guaranty Insurance Co.	15,130	\$453,900	8,835 shares with Fidelity National Bank & Trust Co., Oklahoma City, Okla.
Serv-U Corp. (5 times earnings)	2,850	1,000,000	5,995 shares with First National Bank of Dallas, Dallas, Tex.
Winn Dixie	100	2,800	2,850 shares with Fidelity National Bank & Trust Co., Oklahoma City, Okla.
District of Columbia National Bank	1,600	45,000	100 shares with Suburban Trust Co., Silver Spring, Md.
Carolina Pipeline Co.	2,500	20,000	1,500 shares with American Security & Trust Co., Washington, D.C.
First Virginia Corp.	3,000	15,000	2,500 shares with South Carolina National Bank, Greenville, S.C.
Blue Ridge Development Corp.	50	15,000	3,000 shares with American Security & Trust Co., Washington, D.C.
Greenville (S.C.) Memorial Gardens	180	10,000	180 shares with Pickens Bank, Pickens, S.C.
Malik Savings & Loan Association	2,500	8,000	
Don Reynolds Insurance Co.	10	5,000	
Mansfield Industries	200	1,600	
Truck Insurance Exchange	50	2,400	
Pickens Bank	48	1,680	48 shares with Suburban Trust Co., Silver Spring, Md.
National Bank of Maryland	75	2,250	75 shares with Suburban Trust Co.
<b>Total market value of stock Feb. 1, 1963.....</b>		<b>1,582,630</b>	

Mr. WILLIAMS of Delaware. Mr. President, in this financial statement Mr. Baker lists his ownership of 2,850 shares of Serv-U stock with a market valuation of \$1 million. These 2,850 shares of Serv-U stock owned by Mr. Baker were at that time being held by the Fidelity National Bank & Trust Co. in Oklahoma City, Okla., as collateral for a loan which he had obtained from that bank.

Thus, Bobby Baker's ownership of Serv-U was a matter of record in February 1963, 8 months prior to the time that Mr. Bress was acting as the attorney for the Serv-U Corp.

It is utterly ridiculous for him now to claim that he did not know that Mr. Baker was the prime factor and principal stockholder in the Serv-U Corp. If, as the attorney for this corporation, he

did not know, then he is too naive for the position to which he has been nominated.

### "FOOT IN MOUTH" DISEASE OF OUR STATE DEPARTMENT

Mr. WILLIAMS of Delaware. Mr. President, after spending millions of dollars the Agriculture Department was able to eradicate the foot-and-mouth disease that had been so prevalent among animals.

Perhaps we should launch a research program now to eradicate the "foot in mouth" disease of our State Department.

I ask unanimous consent to have printed in the Record an editorial published in the September 2 issue of the Washington Daily News entitled "Foot in Uncle's Mouth."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Daily News, Sept. 2, 1965]

#### FOOT IN UNCLE'S MOUTH

Every once in a while, somebody opens his mouth and puts his foot, not in it, but in Uncle Sam's. That hurts us all.

We don't know the exact ins and outs of the charge by Singapore Prime Minister Lee Kuan Yew that back in 1960 a bribe of \$3 million was offered by a CIA agent and that later a letter of apology arrived from incoming Secretary of State Dean Rusk, along with a statement that the new Kennedy administration would not countenance such goings on.

We do know that both at the State Department and in Malaysia on Tuesday, U.S. spokesmen denied flatly that the incident ever occurred. And that on Wednesday, the State Department discovered the Rusk letter

after Mr. Lee revealed he had not only a copy of it but a tape recording of conversations with the CIA agent.

The point at issue is not to criticize Mr. Lee, who apparently brought up the matter for domestic political reasons. Nor is it to castigate the CIA, since details of the original affair are obscure.

What bothers us—and considerably—is that the State Department could be so positive on one day that nothing of the sort ever happened and so positive on the next day that it did.

In the famous U-2 incident which also occurred in 1960, misrepresentation by U.S. officials made this country look ridiculous in the eyes of the world. Handling of this latest affair gives us reason to wonder if our official spokesman really have learned anything since then.

#### SINK OR SWIM FOR U.S. SHIPS

Mr. WILLIAMS of Delaware. Mr. President, the Nation was, of course, relieved and pleased at the end to the strike which has tied up the U.S. merchant fleet for the past 2½ months.

It would be pleasant to suppose that the end of the strike meant the end of the difficulties facing the merchant fleet, but unhappily it does not. Whether we like to think about it or not, the United States, a nation whose strength at sea should certainly be equal to its strength in other vital areas of commerce and defense, stands perilously close to becoming a third-rate maritime nation.

On July 30, 1965, Life magazine briefly reviewed the plight of the merchant fleet in its lead editorial entitled "Sink or Swim for U.S. Ships." The editors of Life have clearly outlined the challenge which faces the maritime industry, and their editorial is one which should be read quite carefully by officials in industry, labor, and government.

I ask unanimous consent to have the editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### SINK OR SWIM FOR U.S. SHIPS

The U.S. Government pays out some \$350 million a year to subsidize a U.S.-flag, U.S.-built merchant marine. But when the Defense Department needed to expand its military shipments to Vietnam, it had to hire British and Danish vessels for some shipments and then to mobilize some 30 U.S. ships. The reason for this costly humiliation of a traditionally great maritime nation was that most of our best cargo vessels have been tied up for nearly 6 weeks in one of the industry's perennial strikes.

This one, kept going by the Marine Engineers' Beneficial Association, has been termed "intolerable" and "against the public interest" by the Secretary of Commerce. Since U.S. taxpayers already get up 72 cents of every maritime wage dollar, and would normally pay 100 percent of any increase, he can say that "public interest" again.

MEBA represents 16,000 seagoing engineers who already average \$1,500 a month. It is known as the "head-kicking union" because at one session its president, Jesse Calhoun, was charged with jumping on the negotiating table and kicking a shipper in the jaw. Negotiations have since broken down, the tough issues being retirement income and automation. The owners have also lost confidence in the arbitrator but are willing to arbitrate almost anything under a new one, including any appointee of George Meany's. MEBA says no.

Joe Curran of the National Maritime Union, a third of whose sailors have been beached by it, calls this a political strike and a threat to all other workers in the maritime industry. Curran is gored because the strike plays into the hands and treasury of the Seafarer's International Union, which mans unsubsidized tramps and liners and whose chief, Paul Hall, has been Curran's bitter rival for many years. The fact that only part of the maritime industry is shut down also prevents the Government from invoking a Taft-Hartley emergency and sending the engineers back to work.

Chronic interunion feuding, extravagant demands, and ruthless tactics have cost the maritime industry 10 million man-hours since World War II. The subsidy formula, which offsets the fact that U.S. wage costs are 3 or 4 times foreign costs, has hitherto floated off the exorbitant settlements. But not this time. This strike coincides with a more general crisis in the U.S. merchant marine.

President Johnson promised last January to introduce a whole new maritime policy to replace the 1936 system. His lively young (30) Maritime Administrator, Nicholas Johnson, has not only been scaring the unions and owners alike with boyish speeches but has threatened to keep new wage increases out of the subsidy formula and even disallow increases of several years past. U.S. shipowners, both struck and unstruck, are therefore fighting for their lives against rising costs, foreign competition and uncertain Government policy. By tonnage, U.S. shipping's share of U.S. foreign trade has fallen from 50 to 9 percent since 1945. Large parts of the fleet have been scuttling to Liberian and Panamanian registry or counting their last days as eldering tramps carrying giveaway food-for-peace at subsidized rates. The U.S. maritime picture is gloomy indeed—except in one respect.

The authors of our 1936 subsidy policy, chiefly F.D.R. and Joseph P. Kennedy, knew what they were about. They wanted a first-class, liner-type cargo fleet sailing established routes—and that we have. It is second only to the British in size; in quality, second to none. The 15 leading U.S. lines (Grace, Lykes, Moore-McCormack, United States Lines, etc.) run their 300 vessels on a subsidy contract which requires them to keep their fleets modern; as a result, 80 percent of all cargo vessels in the world capable of more than 20 knots fly the U.S. flag. If U.S. foreign trade is measured by value instead of by tonnage, U.S. ships carry 37 percent of it.

Nicholas Johnson would like to see the Government out of the shipping business eventually. He sees no future in passenger subsidies and would cut cargo subsidies by relying on improved productivity through technological change, including such futuristic carriers as undersea pipelines and hydrofoils.

Undoubtedly great technological improvements lie ahead of ocean shipping, the most realistic being specialized bulk cargo ships. The industry itself has ordered 35 new automated freighters. But much of their automation is in the engine room, and MEBA refuses to agree to any fixed manning schedules in advance. This puts all savings from automation in doubt—the more so since any maritime labor settlement is subject to later interunion whipsawing.

Some owners have suggested a "czar" to save their industry from further strife and stalemate. Czars seldom solve anything, but this one might provide what U.S. shipping desperately needs, a period of labor peace while it adjusts to the throes of technological change. No new maritime policy will make sense until Washington solves this problem. The jobs at risk from automation will either expand with an expanding industry or sink with a dead one.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 618) for the relief of Nora Isabella Samuelli.

The message also announced that the House had passed the bill (S. 1903) to amend the United Nations Participation Act, as amended (63 Stat. 734-736), with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. POWELL, Mr. PERKINS, Mrs. GREEN of Oregon, Mr. ROOSEVELT, Mr. BRADEMAs, Mr. CAREY, Mr. DENT, Mr. GIBBONS, Mr. AYRES, Mr. GRIFFIN, Mr. QUIE, and Mr. REID of New York were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 2091. An act relating to the establishment of concession policies in the areas administered by National Park Service, and for other purposes; and

H.R. 10874. An act to amend the Railroad Retirement Act of 1937 to eliminate the provisions which reduce spouses' annuities by the amount of certain monthly benefits, to increase the base on which railroad retirement benefits and taxes are computed, and to change the rates of tax under the Railroad Retirement Tax Act.

#### ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 7. An act to provide for the establishment of the Spruce Knob-Seneca Rocks National Recreation Area, in the State of West Virginia, and for other purposes;

S. 1317. An act to authorize the Commissioners of the District of Columbia to prescribe penalties for the handling and collection of dishonored checks; and

S.J. Res. 5. Joint resolution designating the bridge crossing the Washington Channel near the intersection of the extension of 13th and G Streets Southwest the "Francis Case Memorial Bridge".

#### HOUSE BILL REFERRED

The bill (H.R. 2091) relating to the establishment of concession policies in the areas administered by National Park Service and for other purposes, was read twice by its title and referred to the Committee on Interior and Insular Affairs.



# SCENIC DEVELOPMENT AND ROAD BEAUTIFICATION OF THE FEDERAL-AID HIGHWAY SYSTEMS

The Senate resumed the consideration of the bill (S. 2084) to provide for scenic development and road beautification of the Federal-aid highway systems.

Mr. RANDOLPH. Mr. President, the pending bill is S. 2084, the Highway Beautification and Scenic Development Act of 1965. As chairman of the Subcommittee on Public Roads, I introduced this measure at the request of the administration on June 3, 1965. I stated that the Committee on Public Works would give prompt and deliberate consideration to the bill, and would give attention to all points of view.

This the committee has done.

I stated also, in introducing the bill, that the measure as proposed by the administration presented certain problems of equity in relation to the Government's treatment of private property, certain questions regarding Federal-State relationships, and certain problems of financing. It is my opinion that the Committee on Public Works effectively resolved these problems in the bill which was reported unanimously from the committee on Friday, September 10.

Mr. President, at the conclusion of my remarks I shall offer certain other amendments for the administration, of which the chairman, the able senior Senator from Michigan (Mr. McNAMARA), and my fellow committee members have been apprised. I shall explain the purpose of those amendments when they are offered.

I commend the able chairman of the full committee, the Senator from Michigan (Mr. McNAMARA), for his support and cooperation in handling a difficult and, in many respects, a controversial measure.

I commend also the distinguished ranking minority member of the Subcommittee on Public Roads and of the full committee, my good friend the diligent senior Senator from Kentucky (Mr. COOPER), for his conscientious and unfailingly courteous actions in attention to this proposed legislation. The chairman and the ranking minority member, as well as the Senator from West Virginia and others on the Public Works Committee, have had to divide their attention with other important legislation in the fields of education, labor, and agriculture. Therefore, it has been only through the cooperation of all the members that we have been able to move the bill through the committee with reasonable speed and effectiveness.

Mr. President, at this time, I desire the RECORD to show that the committee's consideration has been other than as portrayed by some of the more imaginative reporting in some newspapers.

The committee has not crumbled before the might of the lobbyists.

The standard outdoor advertising industry as a whole has supported the principle of the proposed legislation and, in most instances, the substance of the proposed legislation as well. So have the roadbuilding industry and the leaders of most other business groups which would be affected by this measure.

No Member of this body or of the House of Representatives is more dedicated to the preservation and development of natural beauty than is the senior Senator from West Virginia. But I am also dedicated to the protection of individual property rights. It is my firm conviction that S. 2084 as amended and reported unanimously by the committee serves both these goals.

Mr. President, the proposal submitted by President Johnson to the Congress came not as a spur of the moment thought, but after weeks and months of study in the executive branch and on consideration of the experience our Nation has had for the past decade or more with the problem of a growing clutter on the American scene.

The President stated the purpose of this legislation in his message of transmittal when he declared that the national economy "and the roads that serve it are not ends in themselves. They are meant to serve the real needs of the people of this country. And those needs include the opportunity to touch nature and see beauty."

As originally introduced, S. 2084 has four titles dealing with:

First. Control of outdoor advertising on the interstate and primary highway systems.

Second. Control of junkyards on the interstate and primary highway systems.

Third. Allocation of 3 percent of a State's apportioned Federal-aid highway funds to highway and scenic enhancement.

Fourth. Diversion of one-third of the annual apportionment of Federal-aid secondary road funds to the construction of scenic highways and roads to scenic and recreation areas.

The committee had dropped title IV on scenic roads from the reported bill. This action does not mean a lack of committee interest in such a measure. However, the proponents from the States and the counties indicated that the method of financing proposed by the administration would create severe hardships for many local government bodies in that effort to sustain their construction program for secondary roads. The committee, therefore, plans early consideration of a scenic road program next year after the Congress has received the report on the scenic road study now being conducted by the Department of Commerce, and the President's recommendations with reference to this study.

The committee made several substantive changes to the administration's draft legislation in addition to the one I just mentioned:

First, the committee has recommended funding the entire measure from appropriations from the general funds under the Treasury rather than from highway trust funds as originally proposed. In light of the impending deficit in the highway trust fund, which was reported to the Congress by the Secretary of Commerce earlier this year, and on which the Committee on Public Works conducted hearings, the committee has declared that no highway trust funds shall be used for the purposes set forward in S. 2084.

Second, the committee has rejected the administration proposal that would allow the States to use their police power in eliminating nonconforming outdoor advertising structures and junkyards. The committee provision in the reported bill requires that just compensation be paid to all those whose property rights are adversely affected by this legislation. The principle of just compensation has been a guiding axiom in the committee's consideration of this legislation, and this principle was effectively expressed by our distinguished colleague on the committee, Senator EDMUND S. MUSKIE, of Maine, when he stated at the hearing:

When an individual suffers loss because of some broad public benefit or broad public interest . . . the public interest also requires that the loss be compensated for. If we cannot sustain that kind of concept in the public interest, then the public interest ought to be reviewed.

The committee unanimously supports that position.

Third, the committee established the controlled distance for outdoor advertising to 660 feet from the nearest edge of the right-of-way rather than 1,000 feet from nearest edge of the pavement as proposed by the administration. Our action in this instance was guided by the fact that 25 of the States, those States which signed agreements with the Department of Commerce under Public Law 85-767, have established this as the controlled distance under requirements of the U.S. Department of Commerce. Therefore, the original proposal of the administration in S. 2084 would have required those States to amend their statutes and to acquire additional rights immediately adjacent to the rights previously acquired under the provisions of Public Law 85-767. The committee decided that the difference between these two distances is not significant enough to warrant this burden on the States.

Before summarizing the bill as a whole, I would comment on the committee's consideration of the proposal for a program to dispose of junked automobiles, which was submitted by the distinguished Senator from Illinois (Mr. DOUGLAS) as an amendment to S. 2084. The committee conducted hearings on this proposal and gave careful consideration to the subject matter. It is a thoughtful and constructive suggestion which has been made by the senior Senator from Illinois. However, the pending measure, S. 2084, is limited in its application of junkyard controls to junkyards adjacent to the interstate and primary highway systems. Because the Douglas amendment was addressed to a disposal system for all junked automobiles, the committee withheld action on the measure.

However, as I stated in committee, and as I have counseled with the Senator from Illinois (Mr. DOUGLAS), I shall work with our friend from Illinois to enact this amendment as a part of the Solid Waste Disposal Act, which falls within the jurisdiction of the Committee on Public Works.

In summary, section 101 would provide control of outdoor advertising within 660 feet of the right of way of interstate and

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through in less than 9 months than the late President Kennedy could wrangle through Congress in 3 years. Johnson, may, in fact, as some of the Kennedy cult charges, be short on "style"; he may lack the "charm" which F.D.R.'s devotees talked so much about; but when it comes to getting new laws on the books, President Johnson has had no peer in American history.

How he achieved this position of complete domination of the Congress need not be reviewed here at this time, save to say that the Goldwater debacle provided him with a majority in both Houses of Congress so large that he had votes to spare even when there was some rumbling of discontent among his own partisans.

#### SOME CONSOLATION

The thing that disturbs many Americans is the question as to whether or not the political events which have made Johnson a virtual dictator have, in fact, permanently altered the character of our Government as envisioned by the Founding Fathers and have destroyed the constitutionalism which has been the toast of this country for almost 200 years.

We believe that the answer is no, though we will confess that we are comforted by the existence of the 22d amendment to the Constitution which became effective on February 26, 1951. This was the one which restricted the tenure of any citizen to two full terms as President of the United States.

Even had this amendment not been adopted, however, so great is our confidence in the fundamental strength of our constitutional system that we are not too greatly concerned about the obliteration of our constitutional processes in the years ahead, or the seizure of complete power by a strong man to serve as dictator in name as well as in fact.

#### INTRUSIONS OF SOCIALISM

The tides of political change and the moods of the country have historically had a way of keeping the pendulum of power moving within the limitations of the Constitution. We are confident that these same forces will again be operative in the years to come.

It is true and may well be recognized by any student of our governmental system that future changes of leadership at the Federal level or future shifts of power will not roll back, for example, the intrusions of socialism or the adoption of certain features of the welfare state. These, once on the statute books, become permanent facts of life, if for no other reason because Socialist programs take the form of irrevocable contracts between the citizen and the Federal Government.

#### OUR CONVICTIONS

What all this adds up to is an expression of confidence that, despite the concern many of us have felt about the abdication by the majority in Congress of its constitutional role as a branch of the Government coequal with the executive, we do not believe that the country is going to hell in a basket. Nor do we believe that the constitutional fabric of our Government has been stretched to a point which will not permit correction of the excesses—spending is one example—of the Johnson administration.

These are our convictions even though Mr. Johnson has come nearer to attaining the status of a dictator than any President in our history.

#### INTERNATIONAL MONETARY REFORM

(Mr. ELLSWORTH (at the request of Mr. HORTON) was granted permission to extend his remarks at this point in the

RECORD and to include extraneous matter.)

Mr. ELLSWORTH. Mr. Speaker, the communique issued this morning by the Ministers and Governors of the Group of 10, meeting here in Washington, represents a solid achievement by our distinguished Secretary of the Treasury, Henry H. Fowler, and his associates, especially Under Secretary for Monetary Affairs Frederick L. Deming. The key language of the communique from the point of view of significant development in the field of international monetary reform is paragraph 9 of the communique:

The Ministers and Governors recognize that, as soon as a basis for agreement on essential points has been reached, it will be necessary to proceed from this first phase to a broader consideration of the questions that affect the world economy as a whole. They have agreed that it would be very useful to seek ways by which the efforts of the Executive Board of the Fund and those of the deputies of the Group of 10 can be directed toward a consensus as to desirable lines of action, and they have instructed their deputies to work out during the coming year, in close consultation with the Managing Director of the Fund, procedures to achieve this aim, with a view to preparing for the final enactment of any new arrangements at an appropriate forum for international discussions.

I insert here the full text of the communique for the benefit of my colleagues in the Congress:

COMMUNIQUE OF THE MINISTERS AND GOVERNORS OF THE GROUP OF 10 ISSUED ON SEPTEMBER 28, 1965

1. In the course of the annual meeting of the International Monetary Fund in Washington, the Ministers and Central Bank Governors of the 10 countries (Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, the United Kingdom, and the United States) participating in the general arrangements to borrow met under the chairmanship of Mr. Emilio Colombo, Minister of the Treasury of Italy. Mr. Pierre-Paul Schweitzer, Managing Director of the International Monetary Fund, took part in the meeting, which was also attended by the secretary general of the Organization for Economic Cooperation and Development, the general manager of the Bank for International Settlements, and the president of the Swiss National Bank.

2. They noted that, since their meeting in Paris in December 1964, the members of the Group had been called upon, in May 1965, to provide additional supplementary resources to the Fund in the amount of \$525 million. This brings the cumulative use of the general arrangements to borrow to the amount of \$930 million. The use made of the general arrangements to borrow has demonstrated once again the important contribution which those arrangements provide to the smooth functioning of the international monetary system.

3. The general arrangements to borrow were originally made effective from October 1962 to October 1966. It was stipulated that a decision should be taken on renewal of the arrangements before October 24, 1965. The Managing Director of the Fund has indicated his continuing need of these supplementary resources.

The Ministers and Governors agreed that the arrangements should be renewed for a second period of 4 years. However, they would suggest, in the light of increasing

experience with these credit facilities, that a review be undertaken in due time for the purpose of considering whether some adaptation would be desirable in October 1968, or later.

4. The Ministers and Governors reviewed developments in international payments during the past 9 months and reaffirmed the increasingly vital role of close cooperation of the group in the light of the inevitable tendency of any major financial stresses and imbalances in payments to have consequences of importance to all members of the group. They also noted with approval the putting into effect of the program of multilateral surveillance recommended by Ministers in August 1964; this program has contributed to a better understanding of the ways in which deficits and surpluses were being financed, as well as their repercussions on other countries and on the evolution of international liquidity.

5. The Ministers and Governors noted in particular that the deficit in the U.S. balance of payments which had for years been the major source of additional reserves for the rest of the world is being corrected and that the United States has expressed its determination to maintain equilibrium in its balance of payments. They welcomed this development in the U.S. international payments position which in itself contributes to the smooth functioning of the international monetary system. At the same time, they concluded that it is important to undertake, as soon as possible, contingency planning so as to insure that the future reserve needs of the world are adequately met.

6. The Ministers and Governors recalled the mandate given to their Deputies in October 1963 to "undertake a thorough examination of the outlook for the functioning of the international monetary system and of its probable future needs for liquidity." They noted that their Deputies had submitted to them an interim report on these problems in July 1964 and had arranged for a detailed examination of various proposals for the creation of reserve assets by a special study group. The report of this group, which has now been published, will facilitate, through its exposition of the elements necessary for the evaluation of various proposals for reserve creation, the acceleration of the work of contingency planning.

7. Therefore, as the first phase of contingency planning, the Ministers and Governors gave instructions to their Deputies to resume on an intensified basis the discussions which were the subject of the Annex to the Ministerial Statement of August 1964. The Deputies should determine and report to Ministers what basis of agreement can be reached on improvements needed in the international monetary system, including arrangements for the future creation of reserve assets, as and when needed, so as to permit adequate provision for the reserve needs of the world economy. The Deputies should report to the Ministers in the spring of 1966 on the progress of their deliberations and the scope of agreement that they have found. During the course of their discussions, it would be desirable for the Deputies to continue to have the active participation of representatives of the Managing Director of the International Monetary Fund, and also of the Organization for Economic Cooperation and Development, and the Bank for International Settlements. The Swiss National Bank will also be invited to continue to send its representative to the meetings of the group.

8. The Ministers and Governors recognized that the functioning of the international monetary system would be improved if major and persistent international imbalances would be avoided. They recalled that, in



their statement of August 1964 the Ministers and Governors had invited Working Party No. 3 of the Organization for Economic Co-operation and Development to make a thorough study of the measures and instruments best suited for achieving this purpose compatibly with the pursuit of essential internal objectives. They expressed the hope that Working Party No. 3 would be in a position to make their views known at about the same time as the Deputies of the Group of 10 report to the Ministers and Governors.

9. The Ministers and Governors recognize that, as soon as a basis for agreement on essential points has been reached, it will be necessary to proceed from this first phase to a broader consideration of the questions that affect the world economy as a whole. They have agreed that it would be very useful to seek ways by which the efforts of the Executive Board of the Fund and those of the Deputies of the Group of 10 can be directed toward a consensus as to desirable lines of action, and they have instructed their Deputies to work out during the coming year, in close consultation with the Managing Director of the Fund, procedures to achieve this aim, with a view to preparing for the final enactment of any new arrangements at an appropriate forum for international discussions.

#### AN AMERICAN HERO SPEAKS

(Mr. MARTIN of Alabama (at the request of Mr. HORTON) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MARTIN of Alabama. Mr. Speaker, in spite of the beatnik demonstrators, the parades of cowards, the unAmerican activities of tearing up draft cards and urging Americans to refuse to support their country in time of war, there are still American heroes. More than 1,000 of them have already given their lives in defense of freedom in Vietnam. Many more have been wounded in the fight against Communist aggression and, yes, to protect the freedom of those here at home who publicly side with Communist murders against their own country and their own people.

Mr. Speaker, this week I received a letter from one of these American heroes and I would like to quote from it as part of these remarks. Perhaps the words of Lt. John B. Givhan, of Safford, Ala., will be an inspiration to true Americans and may cause some to feel a sense of shame. Whatever the reaction, I am proud to know a man like Lieutenant Givhan, a typical American, the kind who has always been willing to make whatever sacrifice needed, the kind of American to whom the words, love of country and duty, are full of meaning. Here are some excerpts from Lieutenant Givhan's letter:

DEAR CONGRESSMAN MARTIN: I have seen it mentioned several times in the newspaper that you plan to visit the Republic of South Vietnam in the near future. I write this letter with regard to your intended journey to Southeast Asia.

I spent from September 21, 1963, until April 12, 1964, in the land of Vietnam flying transport helicopter. My experience was the outstanding era of my life so far. Even though I was unfortunate as some say, to loss of limb as a result of Vietcong .50-caliber machinegun fire, I still look upon my stay in Vietnam with gratitude.

I would like to ask several favors of you when you arrive in Vietnam. Visit the 197th Armed Helicopter Company. To see transport helicopters in action go with the 120th Aviation Company. There you will be able to talk with professional aviators who get shot at so much they take it in stride as part of a day's work. There you will see men—not twaddle merchants—face to face. Go with them to their working area which is the deadly rice paddy of the Mekong River Delta in Kien Hoa Province, which is the rotting jungle around Ben Cat and its deadly Iron Triangle which is the towering mountain north of Ban Me Thout or around Da Nang. And there you will find the man in the field, members of the 173d Special Forces, or the U.S. Marines. When you see these men think of those in the United States who would burn their draft cards. These men in the field are the salt of the earth as far as I am concerned, for they are U.S. fighting men who know what freedom means to them and to their Vietnamese friends. Stay there for a time and you will remember for a long time what it is like to enter an arena where the very freedom that many take so lightly is being threatened by the cowardly, murdering, Vietcong.

Your U.S. marines will tell you that the Vietcong is not a soldier; he is a Communist murderer filled with a hate for our way of life that is so strong it is difficult for us with our Christian background to comprehend. Then, you will know for certain that this is not an enemy that can be negotiated away, for they know nothing of honor when it comes to words or treaties.

Congressman MARTIN, 1 day over there at Duc Hue which is several miles west of Hiep Hoa near the Cambodian border we helicopter men talked with a little Vietnamese lieutenant who had a small force of men there to defend the hamlet which was overrun several days later, and the lieutenant and his men were killed. I asked this lieutenant if he would be leaving soon because of reports of large Vietcong concentrations just over the border in neutral Cambodia. He said that here he was taking his stand, and that here he would die to be free because he had seen communism in North Vietnam before 1954. This man died there several days later, but he stood his ground. His people, however, looked to the great United States for backing, and we gave it to them. We must continue to stand with them forever if necessary. This attitude is deep-rooted in me partially because of that man's willingness to fight communism to the death and not to give one bit. However, can't we put freedom on the offensive and tyranny on the defensive in Vietnam; the very soul of the free Vietnamese would leap out for joy. They have known nothing but gradual defeat for so long.

Please go to the end of the line in Vietnam and talk to the U.S. soldier who bathes in a canal, who sleeps in a pup tent—if lucky, who chances to be overrun by the Vietcong every night, who gets mail once a week—if lucky, who doesn't know what a beatnik looks like. Talk to this man whose closest friend is an AR-15.

Mr. MARTIN, the 120th Aviation Company is just off the road from Tan Son Nhut down Cong Ly to Tu Do Street and the center of Saigon. As a life long honorary member of that unit I ask you to stop by and, if appropriate for a Congressman, say hi. I would appreciate it, and they would too. I wish I were going with you; I really do.

#### SINGAPORE

(Mr. ELLSWORTH (at the request of Mr. HORTON) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ELLSWORTH. Mr. Speaker, this morning I had an enlightening conversation with Lim Kim San, Minister of Finance of Singapore, the world's newest nation. The Government Mr. Lim represents is one of the strongest anti-Communist, pro-national independence governments in all of southeast Asia.

Mr. Lim outlined for me this morning the main points of his Government's policies, and I am delighted to be able to report those points to my colleagues in the Congress:

First. The Government of Singapore is anti-Communist, and pro-Singapore.

Second. In order to survive, Singapore needs trade opportunities, not aid handouts or even loans. For example, access for Singapore to one-tenth of 1 percent of the U.S. textile market would mean more to Singapore, to freedom, and to independence in southeast Asia, than \$100 million in U.S. loans.

Third. The key to successful U.S. and free world policy throughout southeast Asia is national independence. The Communists are bent on domination; the people want freedom and independence.

Mr. Speaker, I commend Mr. Lim's views, as I have reported them, to the favorable consideration of our own Government.

#### WALTER REED HOSPITAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. HALL] is recognized for 15 minutes.

Mr. HALL. Mr. Speaker, on Tuesday of last week there was an article in one of the local papers by a substitute columnist referring to alleged shortcomings of the administration of the Walter Reed Hospital of the Army Medical Center in this city. Many of our colleagues have seen that article. Many have recognized it for what it is—an attempt to sell copy, promote reader interest, or the typical yellow-journalism engaged in by this group.

The matter, of course, has interested Members of Congress because there is no question but what this is the responsibility of the Congress, and particularly the Legislative Committee on Armed Services and the proper Appropriations Committees of both Houses. We all recall that article 1, section 7 of the Constitution, provide the Congress the sole power to raise armies, support the Navy, determine policy, and generally provide for the defense of our Nation.

On the other hand, one does not wish to be whipping boys for such as those who write for slick-backed magazines or for readership, rather than for the objectivity of true journalism. They should not be the ones that promote, undue, hasty, or ill-considered action.

Therefore, having served as a physician on the Armed Services Committee now for three Congresses and certainly as a doctor in this House, I was perhaps more concerned than many about some of the loose facts, the statements out of context, the charges and countercharges, because, indeed, this Nation expects and rightfully demands that those who serve